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Intelligence Agencies Taped Secret Talks On Iran Arms Sales

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More Conversations Recorded Than Disclosed in Report By Tower, Sources Say

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Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—U.S. intelligence agencies secretly recorded negotiations between U.S. representatives and Iranian officials and middlemen about U.S. arms sales to Tehran.

The Tower Commission's report last month disclosed that two days of secret negotiations last September involving the arms sales had been taped. But sources said the National Security Agency and the Central Intelligence Agency recorded many other conversations in Europe, Tehran, and Washington. This information will be valuable to congressional investigators and independent counsel Lawrence Walsh, who are trying to unravel the Iran-Contra affair.

According to sources, two members of the delegation that flew to Tehran last May—former National Security Council aide Lt. Col. Oliver North and retired CIA officer George Cave—wore concealed transmitters during the mission. This enabled the U.S. to compile a verbatim record of the secret meetings with Iranian officials. Two other members of the delegation, which was headed by former National Security Adviser Robert McFarlane, said they were unaware of the arrangement.

The existence of the tapes has been a closely guarded secret, largely because of the sensitivity of the National Security Agency's covert electronic intelligence activities. Both the Senate Intelligence Committee, which held the first hearings into the Iran-Contra affair last year, and the Tower Commission knew of their existence. But current investigators are expected to have more time to review them in detail.

"In the report we said everything we thought we ought to say," said former Maine Sen. Edmund Muskie, a member of the Tower Commission, when asked about any secret tapings beyond those mentioned by the panel. A Senate Intelligence Committee source added, "There's no second shoe there waiting to fall," although he acknowledged that the panel didn't have time to review all of the recordings.

Attorney General Edwin Meese and other Justice Department officials weren't aware of the tapes and didn't review them during their preliminary investigation of the Iran-Contra scandal last year, law enforcement officials said. Mr. Walsh is aware that tapes were made, but at least some of the tapes still haven't been turned over to him, according to one official familiar with the independent counsel's criminal investigation.

The tapes add to an already extensive record of computer messages between Col. North and his superiors, but they could help investigators determine if U.S. officials discussed with the Iranians any plan to divert profits from the sales to Nicaraguan insurgents. The Tower report indicated that Iranian arms merchant, Manucher Ghorbanifar, suspected that such a diversion was occurring.

Secondly, there is increasing evidence that some of the missing millions generated by the Iran arms sales may have disappeared into the pockets of Iranian officials. The tapes would indicate if U.S. officials knew of any such arrangement and whether any kickbacks to Iranian officials were intended to serve as ransom for U.S. hostages in Lebanon.

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